

EA85-3810

DDA85-341011

Compt 85-1299

Central Intelligence Agency

COMPT 85-1299



Washington, D.C. 20505

6 SEP 85

MEMORANDUM FOR: Director, Office of Management and Budget

SUBJECT: Report pertaining to Vendor Payments by
the Central Intelligence Agency during
Fiscal Year 1985

REFERENCE: OMB Memorandum dated 26 September 1985

In compliance with OMB Circular A-125, "Prompt Payment,"
the annual report pertaining to vendor payment practices and
interest penalty payments by the Central Intelligence Agency
for Fiscal Year 1985 is attached.

~~/s/~~ Harry E. Fitzwater

Harry E. Fitzwater
Deputy Director
for
Administration

Attachment



R-308

SUBJECT: Report pertaining to Vendor Payments by the
Central Intelligence Agency during Fiscal
Year 1985

OF/A&CD/ [REDACTED] (24 Oct 1985)

STAT

Distribution:

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Central Intelligence Agency

Department/Agency

PROMPT PAYMENT REPORT

October 1, 1984--September 30, 1985

	<u>FY 85</u>	<u>Reported FY 84</u>
I. <u>INTEREST PENALTIES</u>		
A. <u>Dollar Amount of Interest Penalties Paid</u>	\$ <u>40.04</u>	\$ <u>452.08</u>
B. <u>Relative Frequency of Interest Penalties Paid</u> [(a) Number of Interest Penalties Paid divided by (b) Number of payments subject to Prompt Payment Act and OMB Circular A-125.]		
FY 85 (a) <u>1</u> ÷ (b) <u>51,844</u>	<u>.0019</u> %	<u>.024</u> %*
FY 84 (a) <u>11</u> ÷ (b) <u>45,453</u>		
C. <u>Reasons why interest penalties incurred</u> (Rank according to frequency of occurrence)		
-- Delay in paying office's receipt of:		
° receiving report	()	()
° proper invoice	()	(1)
° purchase order or contract	()	(4)
-- Delay or error by paying office in:		
° taking discount	()	()
° notifying vendor of defective invoice	()	()
° computer system processing	(1)	(5)
-- Other		
1. Original check sent to wrong address	()	(1)
2.	()	()

II. EARLY PAYMENTS

A. <u>Dollar amount of payments made three days or more before due date, except where cash discounts taken.</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
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*Erroneously shown as .00024% in last year's report

- B. Relative frequency of payments three days or more before due date, except where discounts taken. [(a) Number of payments made three days or more before due date, except where cash discounts are taken, divided by (b) Number of payments subject to Prompt Payment Act and OMB Circular A-125.]

FY 85 (a) _____ ÷ (b) _____

FY 84 (a) _____ ÷ (b) _____

\$ -0- \$ -0-

III. PROGRESS MADE

Using specific examples describe progress made in reducing interest penalty payments and early payments from FY 1984 levels.

During the fiscal year we were fortunate to have very few turnovers in the workforce. This coupled with new procedures and innovations documented in last year's report made this fiscal year virtually problem free.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
September 26, 1985

Executive Registry
85-3810

M-85-24

DD:
85-3410

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: JOSEPH R. WRIGHT, JR.
ACTING DIRECTOR

SUBJECT: Annual Report on Payment Practices

Public Law 97-177, the Prompt Payment Act, requires that the Director of OMB report to the Congress within 120 days after the end of the fiscal year on agency compliance with the Act. In order to prepare the report, agencies are required by OMB Circular A-125, "Prompt Payment," to report certain information to OMB within 60 days after the end of the fiscal year.

The Act and the Circular require that departments and agencies:

- pay their bills as close as possible to, but not later than, the due date,
- take discounts only when payment is made within the discount period, and
- pay interest penalties when payment is late.

Fiscal 1985 reports are due by November 30, 1985. Attached is the report form. Please provide the appropriate information in the space provided. In accordance with the revised reporting requirement published in the April 12, 1985, Federal Register, Section II of the report asks for payments made three days or more before the due date. Previously agencies reported payments made five days or more before the due date. If actual amounts for early in the year are unavailable, please provide estimates.

Please pay special attention to Part III of the report asking for specific examples of progress made in reducing interest penalty payments and early payments from the FY 1984 levels. Include comments on any instances discovered where late payments were made that did not include the required interest penalty. Agencies have had three years of experience under the Prompt Payment Act and Circular A-125. Payment systems should now be finely tuned and should produce a minimum number of interest penalties and early payments.

Please send your report to:

Office of Management and Budget
Financial Management Division
Room 10235
New Executive Office Building
Washington, D.C. 20503

Questions should be addressed to Marvin Saunders on (202)395-3993.

Attachment

EXECUTIVE SECRETARIAT

ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR		X		
4	D/ICS				
5	DDI				
6	DDA	X			
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt		X		
13	D/OLL				
14	D/PAO				
15	VC/NIC				
16	D/OF		X		
17					
18					
19					
20					
21					
22					
SUSPENSE		30 NOV 85 Date			

Remarks

To 6: Please provide report as required.

Executive Secretary
2 October 85

Date

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
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October 1, 1984--September 30, 1985

	<u>FY 85</u>	<u>Reported FY 84</u>
I. <u>INTEREST PENALTIES</u>		
A. <u>Dollar Amount of Interest Penalties Paid</u>	\$ _____	\$ _____
B. <u>Relative Frequency of Interest Penalties Paid</u> [(a) Number of Interest Penalties Paid divided by (b) Number of payments subject to Prompt Payment Act and OMB Circular A-125.]		
FY 85 (a) _____ ÷ (b) _____		
FY 84 (a) _____ ÷ (b) _____	_____ %	_____ %
C. <u>Reasons why interest penalties incurred</u> (Rank according to frequency of occurrence)		
-- Delay in paying office's receipt of:		
° receiving report	()	()
° proper invoice	()	()
° purchase order or contract	()	()
-- Delay or error by paying office in:		
° taking discount	()	()
° notifying vendor of defective invoice	()	()
° computer system processing	()	()
-- Other		
1.	()	()
2.	()	()
II. <u>EARLY PAYMENTS</u>		
A. <u>Dollar amount of payments made three days or more before due date, except where cash discounts taken.</u>	_____ %	_____ %

- B. Relative frequency of payments three days or more before due date, except where discounts taken. [(a) Number of payments made three days or more before due date, except where cash discounts are taken, divided by (b) Number of payments subject to Prompt Payment Act and OMB Circular A-125.]

FY 85 (a) _____ ÷ (b) _____

FY 84 (a) _____ ÷ (b) _____

\$ _____ \$ _____

III. PROGRESS MADE

Using specific examples describe progress made in reducing interest penalty payments and early payments from FY 1984 levels.



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WASHINGTON, D.C. 20503
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FY 85 (a) _____ ÷ (b) _____		
FY 84 (a) _____ ÷ (b) _____	_____ %	_____ %
C. <u>Reasons why interest penalties incurred</u> (Rank according to frequency of occurrence)		
-- Delay in paying office's receipt of:		
° receiving report	()	()
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1.	()	()
2.	()	()
II. <u>EARLY PAYMENTS</u>		
A. <u>Dollar amount of payments made three days or more before due date, except where cash discounts taken.</u>	_____ %	_____ %

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FY 85 (a) _____ ÷ (b) _____
FY 84 (a) _____ ÷ (b) _____

\$ _____ \$ _____

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° purchase order or contract	()	()
-- Delay or error by paying office in:		
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1.	()	()
2.	()	()
II. <u>EARLY PAYMENTS</u>		
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FY 85 (a) _____ ÷ (b) _____

FY 84 (a) _____ ÷ (b) _____

\$ _____ \$ _____

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